

EXHIBIT 2
DATE 1/2/09
HB 123

**HOUSE COMMITTEE
ON
APPROPRIATIONS**

House Bill 123

**Testimony of Ron de Yong
Director, Montana Department of Agriculture**

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

For the record, my name is Ron de Yong, director of the Montana Department of Agriculture. I am here to testify in support of House Bill 123. Also for the record I would like to introduce Joel Clairmont, Deputy Director of the Montana Department of Agriculture and Agricultural Development Division Administrator and Collin Watters, Growth Through Agriculture (GTA) program manager.

House Bill 123 extends funding for economic development programs statutorily appropriated to use interest income from the permanent coal severance tax fund until June 30, 2019. These funds provide a major funding mechanism for the GTA program and the Montana Cooperative Development Center [15-35-108(9)(b)(i-ii), MCA].

The GTA program has invested more than \$12 million in Montana businesses, conservatively providing total financial benefit greater than \$100 million. The greatest amount of benefit has occurred in the last 5 years.

The department provides assistance through matching funds and technical assistance to individuals and businesses pursuing value-added and niche market opportunities. Recently the major focus has been on building renewal energy and food processing industries. The department received 82 applications and awarded 46 or 56% in fiscal year 2008. HB 123 will provide the GTA program with \$625,000 in interest income from the permanent coal severance tax fund annually.

The Montana Cooperative Development Center (MCDC) will also continue to receive funds (\$65,000) annually for matching federal grants to promote cooperatives and cooperative action to provide economic development for rural Montana. The MCDC has formed 25 new cooperatives and created or retained 296 jobs with a payroll benefit greater than \$8 million.

I urge your support of HB 123.